



STATE AUDITOR'S OFFICE WEB SUMMARY INTERFACE FOR PERFORMANCE AUDITS

Summary of Report 17-014

Summary

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An Audit Report on the Credit Union Department: A Self-directed, Semi-independent Agency

December 2016

Summary Analysis

The Credit Union Department (Department) accurately calculated, properly collected, and properly reduced/waived credit union operating fees in compliance with Department requirements, policies, and procedures. It also had a reasonable budget process to ensure that revenue (consisting primarily of operating fees) adequately covered its operational costs. However, the Department should improve controls over waiving late payment penalties.

The Department also should strengthen controls over its reporting processes. It did not have a formal process or documented policies and procedures for the preparation and review of the reports audited. The Department's fiscal year 2015 Annual Financial Report contained significant financial errors, and one of those errors was carried to the Department's 2015 Report of Nonfinancial Data. The Department also incorrectly reported assets into the State Property Accounting system, which contributed to the errors in its 2015 Annual Financial Report. The Department should address the identified weaknesses in its accounts payable and inventory processes, which contributed to the Department's reporting errors.

In addition, while the Department's 2014 Biennial Self-directed, Semi-independent (SDSI) Report complied with Texas Finance Code requirements and was accurate, its 2015 Annual SDSI Report included incorrect financial information.

The Department accurately calculated all three performance measures tested; however, it should improve certain controls to ensure that it continues to accurately calculate the performance measures audited.

The Department should strengthen controls over internal and contracted information technology operations.

[Jump to Overall Conclusion](#)

LOW



+ The Department Complied With Requirements for Setting Fees and Penalties; However, It Should Improve Controls Over Waiving Late Payment Penalties

HIGH



+ The Department Should Strengthen Controls Over Its Accounting and Reporting Processes to Help Ensure That It Reports Accurate Information

LOW



+ The Department Accurately Calculated All Three Performance Measures Tested; However, It Should Improve Certain Controls to Ensure That It Continues to Accurately Calculate the Performance Measures Audited

MEDIUM



+ The Department Should Strengthen Controls Governing Internal and Contracted Information Technology Operations

Issue Ratings

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STATE AUDITOR'S OFFICE WEB SUMMARY INTERFACE

and oversight of the four audited design-build projects.

LOW

MEDIUM

HIGH

Jump to Overall Conclusion

+ The Department Procured the Contracts for the Design-Build Projects in Accordance with Applicable Requirements

+ The Department Lacks a Fully Established Framework for Ensuring the Consistency and Accuracy Across All Design-build Projects

+ The Department Lacks a Consistent, Documented Process for Managing Design-build Projects While in Procurement

Color-coded expandable chapter headings allow readers to identify areas within report

Selected Design-build Projects
Department of Transportation

Overall Conclusion

The Department of Transportation (Department) has used the design-build project delivery method (design-build method) for highway construction projects.

Visible links after introductory paragraph allow readers to jump to Overall Conclusion

MEDIUM

NONE

+ Administrative Processes

- Status of Prior Audit Recommendations Addressed to the Comptroller's Office

Auditors followed up on 11 recommendations addressed to the Major Agreements Under the Texas Economic Development Act (2014). Auditors determined that:

Ten of the recommendations were fully implemented.

One recommendation was no longer applicable due to a change in circumstances.

Jump to Chapter 8

Text in expandable sections provides a succinct look into content and a direct link to the corresponding PDF chapter

Chapter 8

Status of Prior Audit Recommendations
Comptroller's Office

Auditors followed up on 11 recommendations addressed to the Comptroller's Office. See the *Audit Report on Selected Major Agreements Under the Texas Economic Development Act* (State Auditor's Office Report No. 2014-01, November 2014) (see text box for details).

PDF chapters